

MARIN COUNTY ECONOMIC FORECAST

The Marin County economy is growing slowly. In 2017 it gained 1,500 jobs, representing a growth rate of 1.3 percent. The entire Bay Area created jobs at a rate of 2.3 percent, and California was characterized by growth of 2.0 percent. A number of industries are now in decline, including professional services, information, and financial activities. Each of these sectors began to lose jobs in 2014, and these losses have been the principal cause of weak labor market performance countywide.

The best performing industries in 2017 were construction, manufacturing, leisure services, and healthcare. The restaurant sector performed particularly well, generating 700 new jobs in 2017. Much of this growth was in the “fast casual” market segment, which has expanded rapidly across the state, but a number of full-service restaurants were also established to serve the county’s affluent consumers.

Marin County’s manufacturing activity is highly concentrated in wine production, and 2017 was a strong year for wine sales. The county also has a prominent number of jobs in pharmaceutical manufacturing, which generated several hundred new jobs last year.

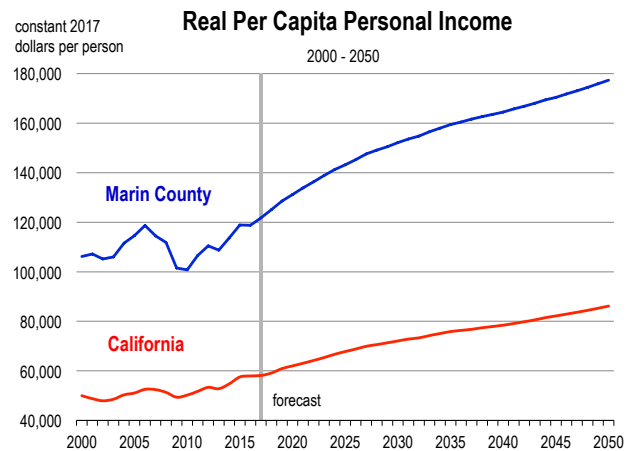
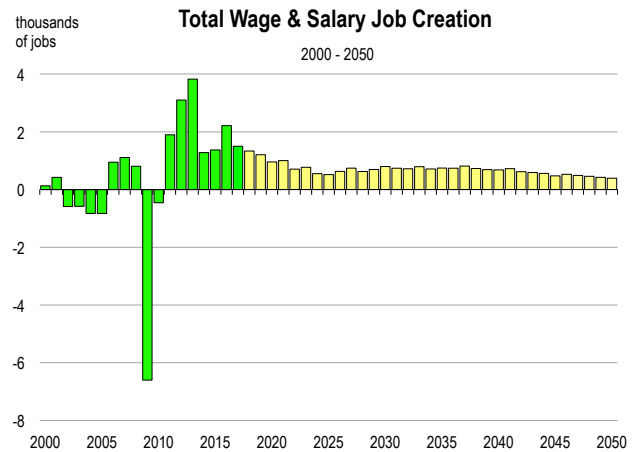
There is very little construction activity occurring in the county, but the local economy gained 400 construction jobs in 2017. This situation arose because a number of construction firms are based in Marin County, but operate across the Bay Area. Future growth in this industry will depend on building activity throughout the entire region.

Home prices are rising quickly in Marin County. Prices are now 12 percent above their bubble-era peak, and housing affordability is becoming a problem. A lack of affordable homes is deterring people from moving to Marin County, and in 2017 there were 478 more people who moved out of the county than people who moved in. If home prices continue to rise faster than incomes, affordability will worsen.

The Marin County unemployment rate is exceptionally low, falling to just 2.9 percent in 2017. This suggests that the economy has reached a “full employment” scenario, meaning that almost everyone wants a job already has a job. Under such conditions, job creation is expected to decelerate, and further improvements in the unemployment rate will be minimal.

FORECAST HIGHLIGHTS

- In 2018, total employment is expected to increase by 1.2 percent. From 2018 to 2023, the annual growth rate is projected to average 0.8 percent.
- The largest job gains will be observed in education and healthcare, leisure and hospitality, and professional services. Together, these industries will account for 94 percent of net job creation in the county between 2018 and 2023.
- Average salaries are currently above the California average, and will remain so over the foreseeable future. In Marin County,



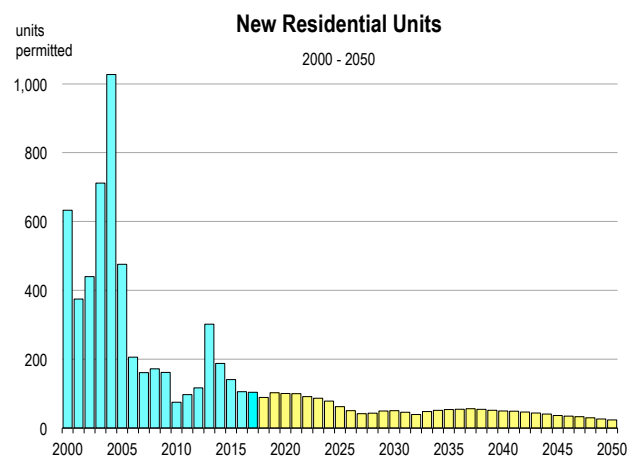
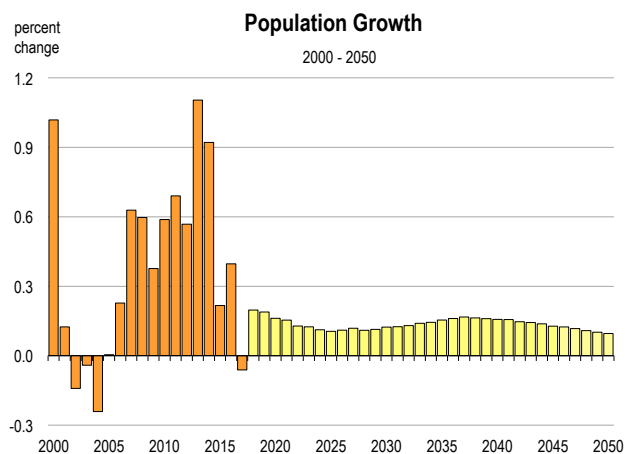
inflation-adjusted salaries are expected to rise by an average of 1.5 percent per year between 2018 and 2023, which will be slower than statewide growth.

- Housing production will be low. Between 2018 and 2023, an average of only 100 units will be authorized per year. Even though population growth will be slow, housing production will still be insufficient, and home prices will continue to rise quickly.
- Real per capita income will increase by 2.1 percent per year during the forecast period.
- The population will grow at an average rate of 0.2 percent per year from 2018 to 2023. An average of 200 net migrants will enter the county each year, and the natural increase (new births) will add another 200 residents per year.

Marin County Economic Forecast

2010-2017 History, 2018-2050 Forecast

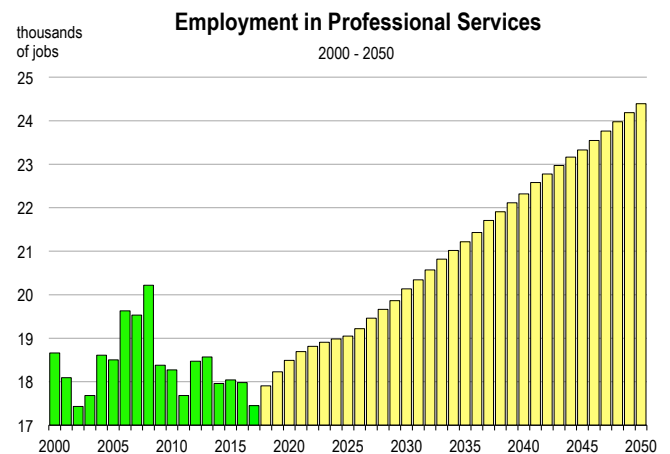
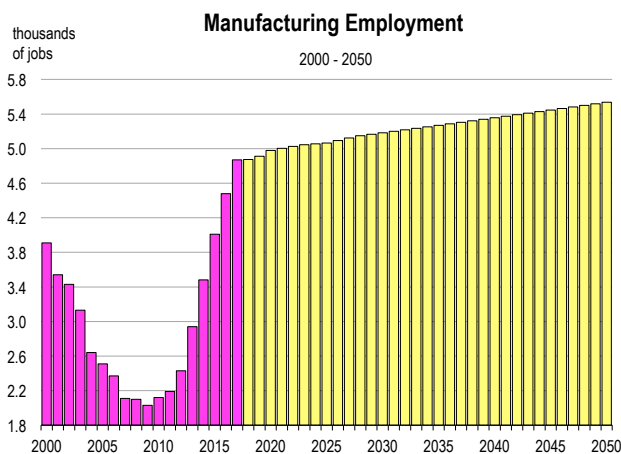
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	252,708	743	240	103.2	75	\$3.8	\$21.0	\$100,785	1.3	68.0	788	7.9
2011	254,453	1,191	236	103.3	97	\$4.0	\$23.0	\$106,576	2.7	91.7	725	7.3
2012	255,897	989	236	103.1	117	\$4.3	\$24.6	\$110,460	2.7	92.3	817	6.3
2013	258,721	2,385	241	102.9	302	\$4.7	\$25.0	\$108,692	2.3	94.7	902	5.2
2014	261,104	1,833	243	103.0	188	\$4.9	\$27.2	\$113,632	2.8	110.2	1,096	4.3
2015	261,669	216	246	103.1	141	\$5.0	\$29.2	\$118,855	2.6	118.2	1,255	3.6
2016	262,706	643	249	103.5	106	\$5.0	\$30.2	\$118,748	3.1	99.6	1,364	3.3
2017	262,545	-478	247	103.6	104	\$5.2	\$32.0	\$121,715	3.2	101.3	1,465	2.9
2018	263,063	241	249	103.7	89	\$5.4	\$34.1	\$125,064	3.7	102.3	1,489	2.6
2019	263,560	247	249	103.8	103	\$5.7	\$36.2	\$128,576	3.1	102.7	1,495	2.4
2020	263,985	204	249	103.8	100	\$6.0	\$38.6	\$131,242	4.1	103.3	1,528	2.5
2021	264,391	209	249	103.9	100	\$6.2	\$40.8	\$133,897	3.6	103.6	1,570	2.5
2022	264,730	160	250	104.0	91	\$6.5	\$43.1	\$136,370	3.5	103.9	1,606	2.7
2023	265,061	160	250	104.1	87	\$6.8	\$45.4	\$138,850	3.4	104.2	1,647	2.7
2024	265,358	133	250	104.1	78	\$7.1	\$47.8	\$141,222	3.3	104.4	1,686	2.9
2025	265,638	122	250	104.2	62	\$7.4	\$50.0	\$143,147	3.1	104.6	1,720	2.9
2026	265,931	137	250	104.2	51	\$7.7	\$52.3	\$145,282	3.1	104.9	1,761	2.9
2027	266,246	159	250	104.3	42	\$8.0	\$54.8	\$147,563	3.0	105.2	1,804	2.9
2028	266,539	137	250	104.3	43	\$8.3	\$57.3	\$149,087	3.3	105.5	1,847	2.9
2029	266,842	142	251	104.3	50	\$8.7	\$59.7	\$150,504	3.1	105.8	1,888	2.9
2030	267,172	155	251	104.4	51	\$9.0	\$62.2	\$152,154	3.0	106.0	1,930	2.9
2031	267,507	144	251	104.4	46	\$9.4	\$64.7	\$153,601	2.9	106.3	1,973	2.9
2032	267,854	143	251	104.4	39	\$9.9	\$67.3	\$154,790	3.1	106.5	2,016	2.9
2033	268,229	150	251	104.5	48	\$10.3	\$70.0	\$156,542	2.7	106.8	2,061	2.9
2034	268,616	137	252	104.5	52	\$10.8	\$72.8	\$158,016	2.9	107.0	2,107	2.9
2035	269,030	139	252	104.6	54	\$11.2	\$75.8	\$159,430	3.0	107.3	2,153	2.9
2036	269,462	136	252	104.6	55	\$11.7	\$79.0	\$160,469	3.4	107.5	2,201	2.9
2037	269,913	140	252	104.6	56	\$12.1	\$82.4	\$161,627	3.5	107.7	2,250	2.9
2038	270,354	123	252	104.7	54	\$12.6	\$85.8	\$162,678	3.3	108.0	2,301	2.9
2039	270,786	111	253	104.7	52	\$13.1	\$89.4	\$163,562	3.5	108.2	2,352	2.9
2040	271,211	106	253	104.8	50	\$13.6	\$93.1	\$164,457	3.4	108.5	2,405	2.9
2041	271,635	107	253	104.8	49	\$14.1	\$97.0	\$165,737	3.2	108.7	2,459	2.9
2042	272,034	86	253	104.8	47	\$14.6	\$100.8	\$166,857	3.1	109.0	2,514	2.9
2043	272,424	78	254	104.9	44	\$15.1	\$104.7	\$168,046	3.0	109.2	2,571	2.9
2044	272,799	70	254	104.9	41	\$15.6	\$108.7	\$169,403	2.8	109.5	2,629	2.9
2045	273,147	53	254	104.9	37	\$16.2	\$112.7	\$170,449	3.0	109.7	2,688	2.9
2046	273,487	58	254	105.0	35	\$16.7	\$117.1	\$171,756	2.9	110.0	2,749	2.9
2047	273,807	50	254	105.0	33	\$17.3	\$121.5	\$173,074	2.9	110.2	2,811	2.9
2048	274,104	39	255	105.0	30	\$17.9	\$126.2	\$174,442	2.9	110.5	2,875	2.9
2049	274,382	31	255	105.0	26	\$18.5	\$131.0	\$175,855	2.9	110.7	2,941	2.9
2050	274,645	23	255	105.1	24	\$19.1	\$136.0	\$177,306	2.9	111.0	3,008	2.9

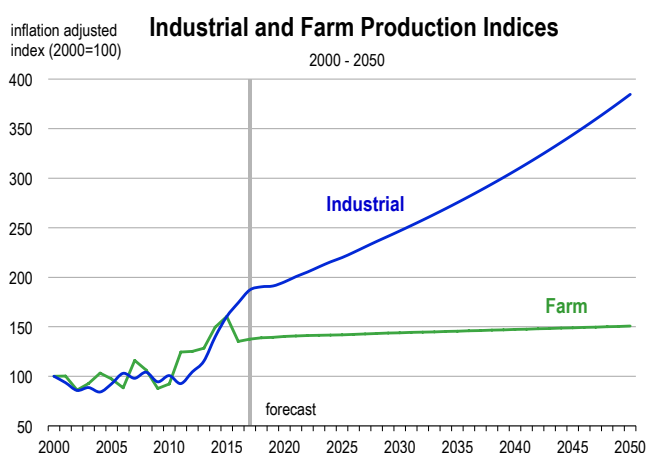
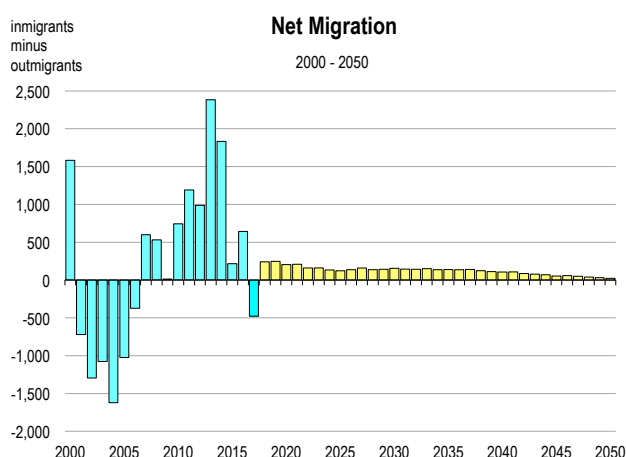
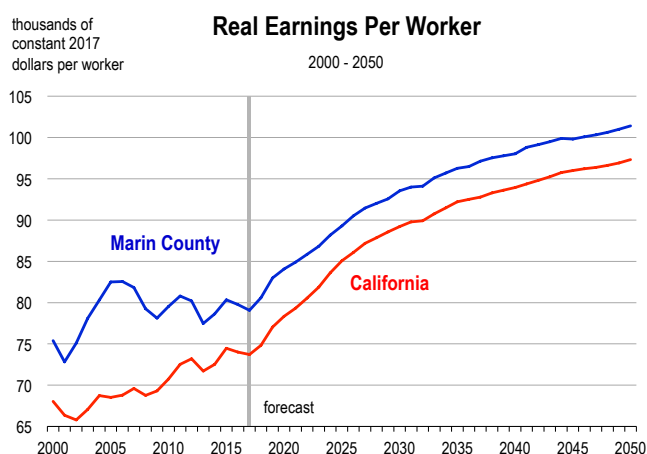
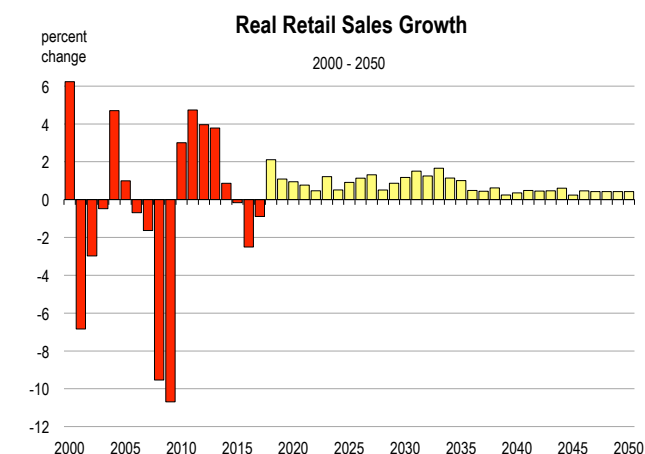


Marin County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	100.8	0.45	4.7	2.1	0.9	15.6	6.9	18.3	2.2	17.3	12.2	15.0
2011	102.7	0.42	4.9	2.2	0.9	15.6	7.0	17.7	2.7	17.8	12.7	16.0
2012	105.8	0.40	5.2	2.4	1.0	16.0	7.2	18.5	2.9	18.5	13.2	15.5
2013	109.7	0.38	5.7	2.9	1.1	16.3	7.3	18.6	2.9	19.4	14.4	15.4
2014	110.9	0.38	6.1	3.5	1.2	16.8	6.8	18.0	2.8	19.7	15.1	15.4
2015	112.3	0.33	6.5	4.0	1.3	16.8	6.4	18.0	2.9	20.1	15.4	15.5
2016	114.5	0.33	6.8	4.5	1.3	16.9	6.2	18.0	2.9	20.6	16.1	15.5
2017	116.0	0.32	7.2	4.9	1.3	17.1	5.8	17.5	2.7	21.1	16.7	15.7
2018	117.4	0.33	6.9	4.9	1.3	17.3	5.6	17.9	2.8	21.6	17.0	15.8
2019	118.6	0.33	6.8	4.9	1.4	17.3	5.4	18.2	2.9	22.2	17.3	15.8
2020	119.5	0.33	6.8	5.0	1.4	17.4	5.2	18.5	3.0	22.6	17.4	15.9
2021	120.5	0.33	6.8	5.0	1.4	17.4	5.0	18.7	3.1	23.1	17.7	16.0
2022	121.2	0.33	6.7	5.0	1.4	17.4	4.8	18.8	3.2	23.5	17.9	16.1
2023	122.0	0.33	6.7	5.0	1.4	17.5	4.6	18.9	3.3	23.8	18.2	16.1
2024	122.6	0.33	6.7	5.1	1.4	17.5	4.4	19.0	3.4	24.2	18.3	16.2
2025	123.1	0.33	6.7	5.1	1.4	17.5	4.2	19.0	3.5	24.5	18.4	16.2
2026	123.7	0.33	6.7	5.1	1.4	17.6	4.1	19.2	3.5	24.7	18.5	16.2
2027	124.4	0.33	6.7	5.1	1.4	17.6	4.0	19.5	3.6	25.0	18.6	16.3
2028	125.1	0.33	6.7	5.1	1.4	17.6	3.8	19.7	3.7	25.2	18.7	16.3
2029	125.8	0.33	6.8	5.2	1.4	17.6	3.7	19.9	3.7	25.5	18.9	16.4
2030	126.6	0.33	6.8	5.2	1.4	17.7	3.6	20.1	3.8	25.7	19.0	16.4
2031	127.3	0.33	6.8	5.2	1.4	17.8	3.5	20.3	3.9	26.0	19.2	16.5
2032	128.0	0.33	6.8	5.2	1.4	17.8	3.4	20.6	3.9	26.2	19.3	16.5
2033	128.8	0.33	6.8	5.2	1.4	17.9	3.3	20.8	4.0	26.4	19.4	16.5
2034	129.5	0.33	6.8	5.3	1.4	17.9	3.2	21.0	4.0	26.7	19.6	16.6
2035	130.3	0.33	6.8	5.3	1.5	17.9	3.2	21.2	4.1	26.9	19.7	16.6
2036	131.0	0.33	6.8	5.3	1.5	18.0	3.1	21.4	4.1	27.2	19.9	16.7
2037	131.8	0.33	6.9	5.3	1.5	18.0	3.0	21.7	4.2	27.4	20.0	16.7
2038	132.5	0.33	6.9	5.3	1.5	18.1	3.0	21.9	4.3	27.7	20.2	16.7
2039	133.2	0.33	6.9	5.3	1.5	18.1	2.9	22.1	4.3	27.9	20.3	16.8
2040	133.9	0.33	6.9	5.4	1.5	18.1	2.8	22.3	4.4	28.0	20.5	16.8
2041	134.6	0.33	6.9	5.4	1.5	18.2	2.7	22.6	4.4	28.2	20.6	16.9
2042	135.3	0.33	6.9	5.4	1.5	18.2	2.7	22.8	4.5	28.3	20.7	16.9
2043	135.8	0.33	6.9	5.4	1.5	18.3	2.6	23.0	4.5	28.4	20.9	17.0
2044	136.4	0.33	6.9	5.4	1.5	18.3	2.5	23.2	4.6	28.5	21.0	17.0
2045	136.9	0.33	6.9	5.4	1.5	18.4	2.5	23.3	4.6	28.5	21.2	17.0
2046	137.4	0.33	6.9	5.5	1.5	18.4	2.4	23.5	4.7	28.5	21.3	17.1
2047	137.9	0.33	6.9	5.5	1.5	18.5	2.3	23.8	4.8	28.5	21.5	17.1
2048	138.4	0.33	6.9	5.5	1.5	18.5	2.3	24.0	4.8	28.5	21.6	17.2
2049	138.8	0.33	6.9	5.5	1.5	18.6	2.2	24.2	4.9	28.4	21.8	17.2
2050	139.2	0.33	6.9	5.5	1.5	18.6	2.1	24.4	4.9	28.3	21.9	17.2





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	4.6%
Expected job growth:	4.0%
Fastest growing jobs sector:	Information
Expected personal income growth:	11.9%

Expected population growth:	0.8%
Net migration to account for:	49.0%
Expected growth in number of vehicles:	0.4%

Demographics (2018)

Unemployment rate (April 2018):	2.1%
County rank* in California (58 counties):	2nd
Working age (16-64) population:	61.2%

Population with B.A. or higher:	57.7%
Median home selling price (2017):	\$977,550
Median household income:	\$110,772

Quality of Life

Violent crime rate (2016):	164 per 100,000 persons
County rank* in California (58 counties):	2nd
Average commute time to work (2018):	35 minutes

High School drop out rate (2017):	5.1%
Households at/below poverty line (2018):	5.0%

* The county ranked 1st corresponds to the lowest rate in California